3. The offerer will form Joint Venture with Madhya Pradesh State Mineral Corporation and will carry out its functions and this Joint Venture, if needed, will get P.L. or Mineral concessions according to Mineral concessions according to rules.

4. The networth of the offerer should be Rs. 150 Crores and his average turn over for 3 years should be Rs. 300 crores.

5. It will be obligatory for the offerer to sign an agreement that he will give 11% unsubscribed contribution to State Mineral Corporation in the JV and shall always maintain its 11% of the share capital in the company.

6. Offerer will also agree to pay Rs. 20 per carat of diamond produced for local area development.

7. No offerer will be allotted more than two blocks.

8. The evaluation of the offer will be done according to pre-determined technical and commercial criteria. Offerer in his offer, will have to mention from commercial point of view the percentage of extra amount that he agrees to give to the State Government over and above the minimum fixed amount of 10% of the sale price of the diamonds. This amount will be in addition to the royalty payable on the mining of diamonds and the tax revenue to be accrued to the State and Central Government.

9. Offerer will be required to deposit an earnest money of Rs. 1 crore with the offer.

Setting up of Steel Plants in Private Sector

3619. SHRI CHIMANBHAI HARIBHAI SHUKLA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government of Gujarat and Orissa have submitted any proposal to Central Government for the issuance of letter of intent for setting up of steel plants in the private sector;

(b) if so, the details thereof;

(c) the names of private companies approved by Government;

(d) the financial assistance being made by these companies; and

(e) the average monthly production capacity from each plant?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) No, Sir.

(b) to (e) Do not arise inview of (a) above.

Performance of SAIL

3620. DR. B.B. DUTTA: Will the Minister of STEEL AND MINES be pleased to state:

(a) the financial performance of the Steel Authority of India Limited during 1997-98, plant-wise;

(b) whether the profitability of the SAIL has declined during the current year as compared to last year;

(c) if so, the reasons therefor; and

(d) the steps taken or proposed to be taken to improve the performance of the SAIL, plant-wise?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) to (c) The profit (befor tax) of Steel Authority of India Limited (SAIL) for the year 1997-98 was approx. Rs. 149 crores (subject to GAG Audit) against Rs. 588 crores in 1996-97. Profits were lower in 1997-98 because of slow down in demand for steel, greater competition from imports, and enhancement in supplies in domestic market. Further, the profits were adversely affected by increase in input prices primarily of coking coal, petroleum products, power, transportation and higher interest cost which could not be fully neutralised by better techno-economic parameters, cost reduction measures and increase in the prices of steel, etc. The plantwise profit & loss is as under:—